

**COUNCIL POLICY****CURRENT**

SUBJECT: STOREFRONT IMPROVEMENT PROGRAM  
POLICY NO.: 900-17  
EFFECTIVE DATE: September 10, 2001

**BACKGROUND:**

The SIP originated in 1986, it was funded initially by Industrial Development Bond (IDB) proceeds and Community Development Block (CDBG) monies. In 1995, the City Council adopted the Small Business Enhancement Program (SBEP), funded by the business tax certificate fees levied on small businesses. SBEP provides a more stable funding source for both hard and soft costs of storefront improvements.

The Storefront Improvement Program (SIP) provides a grant to business or property owners as an incentive for them to improve their storefronts consistent with design standards for their commercial areas. It has been a successful program in the Office of Small Business (OSB).

**PURPOSE:**

To establish policy guidelines and procedures regarding the application process, selection process, design process, reimbursement process, and fees associated with the administration of the Storefront Improvement Program.

**PROGRAM POLICY****Storefront Improvement Program Mission**

The mission is to generate additional revenues to business and the City by stimulating private investment in the city's commercial areas to make the business and surrounding communities more attractive.

**Project Qualifying Criteria**

The City will accept applications citywide from all small businesses (City of San Diego definition is 12 or fewer employees) that possess a valid Business Tax Certificate and property owners who lease space to small businesses that possess a valid Business Tax Certificate.

**Project Implementation**

Procedures shall include:

- a. Marketing and Outreach: The Office of Small Business in partnership with other agencies, such as Centre City Development Corporation, the South Eastern Economic Development Corporation, Business Improvement Districts, Micro Districts, will actively engage in marketing and outreach efforts in order to generate participation from the business sector.
- b. Application process: The Office of Small Business will receive applications year round. The program manager will determine if the project falls in the standard or historic preservation category. Project management must be provided for and described in each application.

- c. To qualify for the historic rebate incentive, the subject property must be eligible for designation by the Historic Resources Board as a historic structure, or be eligible to be classified as a contributing structure to a historic district, or be included on a locally defined historic building inventory, and that any improvements be consistent with the historical character of the property.

All others will be considered standard projects.

- d. Selection process: The Office of Small Business will select projects that will provide the greatest public benefit to a community as determined by the program manager. Factors considered by the Program Manager will include:

- (1) Complements City's public improvement strategies
- (2) Coincides with City revitalization activities
- (3) Community need/demand for change
- (4) Creative value of the project
- (5) Current condition of the building/facade
- (6) Neighborhood Code compliance issues
- (7) Conformity to community design guidelines

Selected applicants will be sent orientation packets, certificate of ownership form, and notification of fees. Program Manager will review applicant's goals and budget to determine if applicant is willing and able to complete the project within program guidelines.

Program exclusions include: national franchises; large office buildings in excess of 80,000 square feet; government owned and occupied buildings; churches and other religious institutions.

- e. Fees: Applicant will be required to pay a refundable fee to ensure the applicants commitment to the completion of the project. These fees will be made payable to the City Treasurer.
- f. Design Process: Once an application is selected, applicant will be notified, Project Manager will review design criteria with applicant and discuss eligible exterior improvements (paint, awnings, signage, landscaping, parking, windows).
- g. Allowable Rebate: The Rebate formula will be determined by the Small Business Advisory Board.

The historic rebate incentive will increase the appropriate maximum rebate amount. The historic rebate incentive will be available once per property with preference given to the property owner.

- h. Contract Process: Once applicant has submitted required paperwork to the program manager a contract will be issued for signature. Business tenants must obtain written approval from the property owner stating that the owner does not object to the business tenant completing the proposed improvements to the property. Authorization from the property owner for a business tenant to utilize the historic rebate incentive will be requested concurrently with the owner's

approval of the proposed improvements. Work on eligible improvements may begin once the applicant signs and submits the agreement.

- i. **Reimbursement Process:** Once project is complete,
  1. applicant must submit:
    - a. “Paid in full” receipt(s) and cancelled check copy(s) related to approved bid(s)
    - b. Federal tax ID number or Social Security number
    - c. Two 8” x 10” color photos of the finished building
  2. Copy of any required permits that were pulled must be given to program manager with the reimbursement package.
  3. If all the obligations under the Agreement have been met, the City shall issue the rebate within thirty days of receipt.

**Program Management:** Overall program management shall be the responsibility of the Office of Small Business.

**REFERENCES:**

Resolution R-286636  
City Manager Report CMR-95-239  
Small Business Advisory Report dated April 21, 2000  
Small Business Advisory Report dated May 22, 2000

**HISTORY:**

Adopted by Resolution R-295442 09/10/2001